

## GERMANY CALLS OUT RESERVE; BRITISH FLEET OFF FOR NORTH SEA; RUSSIA CLOSING STOCK EXCHANGE

### STOCK EXCHANGE QUITS FOR FIRST TIME SINCE 1873

**Dramatic Scene on Floor—Four Failures Announced.**

### OTHER MARKETS CLOSE

**Trading in Wall Street Entirely Suspended—Food Prices Go Up.**

### BIG LINERS HELD IN PORT

**Hamburg-American and North German Lloyd Lines Cancel All Sailings.**

The New York Stock Exchange, the last big exchange in the world to remain open in the face of a general European war, closed its doors yesterday for the first time since the panic of 1873. The Consolidated Exchange, the Cotton Exchange and the Curb quickly followed. The flood of selling orders by foreign security holders precipitated the action.

Four failures were announced, two houses being members of the Stock Exchange and two of the Cotton Exchange.

The Hamburg-American Line and the North German Lloyd Line cancelled all sailings from this port. The mighty Vaterland, which was to sail today, was held here and the President Grant was recalled by wireless when 300 miles at sea.

Express companies and banks announced that no more travellers' checks would be issued and the Post Office Department limited foreign money orders to one \$100 order per person. This action affects 200,000 Americans living in Europe.

The Senate, at the request of Secretary of the Treasury McAdoo, passed an amendment to the Aldrich-Vreeland currency act which virtually throws open to the banks of the country \$500,000,000 in the United States Treasury as emergency currency.

### STOCK EXCHANGE CLOSING.

**Suspends Business for First Time Since Panic of 1873.**

The New York Stock Exchange suspended business yesterday on account of a financial upheaval for the first time since 1873. The action was taken only after every other security market of the first class in the world had closed and it became certain that the most powerful nations of Europe were on the verge of a war the like of which the world has never seen, and that the local market, in case it remained open, would be forced to bear the brunt of a liquidation that would be worldwide.

The board of governors decided to close the exchange only when they were brought face to face with these three conditions: first, that the banks refused to guarantee sufficient credit on margin transactions; second, when it was realized that it was impossible and tantamount to attempt to absorb the liquidation of the world; and, third, when the big wire houses, which had been unable to reach all their margin customers over night, refused to trade.

When the conference of bankers and Stock Exchange governors held at the office of J. P. Morgan & Co. on Thursday night broke up it was without any intention of closing the exchange as long as there was a market, and such an announcement was made at that time. Yesterday morning, however, when the financiers and brokers got to their desks they found a different situation awaiting them. The war situation had become worse over night and the evidences were that there would be no market except on the selling side. All of the big wire houses announced that their selling orders were in the hundreds of thousands, while their buying orders were estimated only in hundreds. With such a market it would have been tantamount to have attempted to do business as the prices of securities would have melted away before such a flood of selling.

A hurried meeting of bankers was held at the office of J. P. Morgan & Co. Those present were J. P. Morgan, G. P. Davidson, Frank A. Vanderlip, president of the National City Bank; Francis L. Mine, president of the First National Bank and chairman of the clearing house committee; A. Barton Rogers, chairman of the board of directors of the Chase National Bank; and Charles H. Sabin, vice-president of the Guaranty Trust Company. In the meantime a meeting of the board of

governors of the Stock Exchange was called at that institution. For the next fifteen minutes the telephone wires between the Morgan offices and the exchange were kept hot and messengers darted back and forth between the two buildings.

At 9:45 the meeting at the Morgan offices broke up. J. P. Morgan when pressed for a statement said that the first word must come from the Stock Exchange.

In the meantime the greatest crowd of years had gathered on the floor of the exchange. Brokers who have not been in the financial district for years appeared. The situation on the floor was tense. The usually calm faces of the brokers showed lines of care and a growing undercurrent of uneasiness began to be felt as men circulated from one group to another and found that only selling orders were to be had.

The galleries were crowded with visitors. Men and women from all over the city and from New Jersey had hurried to the secretary's offices early in the morning and secured passes to witness one of the most dramatic scenes in the history of financial New York.

### Decision Anxiously Awaited.

At five minutes before 10 o'clock George W. Ely, secretary of the exchange, ascended the rostrum and struck the desk with the gavel. The crowd of brokers centred on the floor, not knowing what the announcement was to be and fearing word of failure, surged across the floor like a great wave. For a moment there was silence and then Mr. Ely began to read the words that told of the governors' decision to close the exchange until Monday. He said: "The governing committee has decided that the Stock Exchange shall be closed until Monday, and that all deliveries be suspended until further notice."

A few moments later there came a yell from the brokers and a rush for telephones to despatch the good news to their offices. The strain was broken. Men who a few moments before did not know whether they would be solvent or not at the close of the day broke up into little groups and chatted over the closing of the exchange and the war news, while the crowds in the gallery drifted away.

A few moments later there came from the Stock Exchange clearing house the following statement: "The chairman of the committee on clearing house announced that all checks for differences due the clearing house have been certified and members are notified to call for drafts at the usual hour."

Hardly had the ticker ceased sending out this announcement when it began to tell of the four failures of the day, of these four, two, J. H. & Co. and J. H. & Co. were Stock Exchange firms. The others, Homer, Howe & Co. and Frederickson & Co. were Cotton Exchange firms.

### Other Exchanges Quickly Follow.

Other exchanges quickly followed the action of the Stock Exchange in closing. The Consolidated Exchange, which conducted the only security market of the day from 9:30 in the morning until word was received of the closing of the big board, was the next to suspend. The Coffee Exchange, the Cotton Exchange and the Curb suspended business at once. From all over the United States came word of the closing of other stock exchanges.

The closing of the exchanges here marks a precedent in the history of the world. Never before have all the exchanges closed on account of a war or a financial upheaval. The last time that the Stock Exchange closed its doors was in the panic of 1873, following the failure of Jay Cooke & Co. of Philadelphia. At that time business was suspended for ten days.

That upheaval, like this, began abroad. Shortly after France finished paying her \$1,000,000,000 war indemnity to Germany. That payment induced an unusual expansion in Vienna, which was later curtailed. Russia, Paris and London resulted in a panic in Europe. This country was less closely connected with European affairs at that time and the panic reached here only after its force had subsided abroad.

### Business Here Called Sound.

Francis L. Mine, chairman of the New York Clearing House Association and president of the First National Bank, issued the following statement shortly after the closing of the exchange: "There was a meeting of the Clearing House committee this morning in view of the closing of the New York Stock Exchange and its bearing upon the general situation."

It was the opinion of the committee that the business and financial condition of New York and the entire country was sound, but that the situation in Europe justified extreme prudence and self-control on the part of the United States. That the closing of the Stock Exchange was a wise precaution by reason of the disposition of all of Europe to make it the market for whatever it wished to sell, that in this country there was no occasion for any serious interruption of the regular course of business, either financial or commercial.

The board of governors were not unanimous in their decision to close the exchange. Several up to the last moment stood out for keeping the exchange open, and to sell at "any price" when war was declared. With the political situation in Europe as tense as it was yesterday it would have been courting financial disaster to have raised through all that stock on the market under those terms if the exchange had opened.

The closing of the exchange brought tremendous crowds to the financial district. They collected in front of the exchange in thousands until police reserves arrived and kept them in motion. The suspension of business affected many persons who needed money on Thursday and sold stocks to raise the necessary funds. As there were no deliveries yesterday and consequently no payments, such persons must meet their needs in some other way.

### SOCIALIST CHIEF, JAURES, IS SLAIN BY "WAR" CRANK

**Is Shot as He Sits Down to Dine in Prominent Cafe in Paris.**

### WAS WORKER FOR PEACE

**As Editor of "L'Humanite" He Denounced Extended Military Service.**

### ASSAILANT IS ARRESTED

**Says Deed Was Justified by Deputy's Attack on Army Measure.**

*Special Cable Dispatch to The Sun.*

PARIS, July 31.—Jean Jaures, leader of one of the wings of the Socialist party in the Chamber of Deputies and editor of *L'Humanite*, was assassinated to-night as he sat down to dine in the Croissant, a famous restaurant near the Bourse.

The man who shot him is Raoul Villain, 29 years old, a student at the Archeological School. He is the son of a clerk in the civil court at Reims. His mother has been a lunatic for twenty years and he himself is known as a crank. He is a member of the Parti Sillonist, which is hostile to the *Camelots du Roi*.

His only explanation for his act was that in opposing the three years' military service measure introduced by Premier Viviani the Socialist leader had shown himself an enemy of his country and that it was necessary that some one put him out of the way. He did not resist arrest and went quietly to the police station.

M. Jaures, accompanied by several members of the staff of *L'Humanite*, went to the Croissant shortly after 9 o'clock. He was seated near an open window and was chatting with his companions on general topics when Villain, who was well dressed, thrust himself through the open window and fired two shots. Both bullets entered the head of M. Jaures and he died within a few minutes.

Premier Viviani issued the following on behalf of the Ministry the following statement:

"A most abominable crime has been committed. M. Jaures was a statesman and orator who gave distinction to the French Chamber of Deputies. He has been assassinated in a most cowardly manner and personally and on behalf of my colleagues I bow before the tomb so suddenly opened for this Socialist-Republican who struggled for such noble causes and who in trying times patriotically sustained the authority of the Government in the interest of peace."

The Premier pleaded for calmness in the present crisis in order that its difficulties may not be increased. He said the law should be allowed to take its course in the punishment of the assassin.

*Le Temps*, commenting to-night on the fact that political differences have died out in the face of the impending European crisis, quotes from the articles written for *L'Humanite* by M. Jaures in which he attacked Germany for attempting to force France to bring her influence to bear upon Russia to the end that Russia may be kept from interfering with Austria's campaign against Serbia. M. Jaures approved of the precautions taken by the Government in view of the formidable outlook.

Jean Leon Jaures had been the most prominent French Socialist leader for the last fifteen years. As a statesman, journalist, debater and orator he had given his splendid abilities to their cause without stint, and no favor of office or profit could win him from them. He dreamed of peace to come through economic freedom and built his hope upon a knowledge and undaunted spirit that lifted him in the thoughts of his contemporaries, even those who were bitterly opposed to his programme.

Chancellor von Buelow, denying to Jaures the privilege of speaking in Berlin, found an excuse in the temper of German Socialists rather than in the ideas of the French leader. Jaures, speaking as the foe of militarism, hurried into the face of Germany the threat that if she sought to make France a hostage in the event of war with England there would be a resistance unequalled in the history of the world.

He was born at Castries in the Tarn department, September 13, 1859. Entering at 17 the Lycee Louis le Grand, he became in 1881 a fellow in philosophy. He became professor of philosophy at the Lycee of Albi, the capital of his native department, and later was raised to the chair of philosophy



Brother of the Kaiser, who, it is reported, has been sent as a special envoy to St. Petersburg in a last effort to prevent a general European war.

### Pope Pius Is Willing to Act as a Mediator in Big European War

*Special Cable Dispatch to The Sun.*

ROME, July 31.—The Pope has not yet intervened directly in the war. At the earliest opportunity, however, he will offer his services as a mediator between the nations involved.

The legates and nuncios at various places have been instructed to join their efforts with those of other diplomats in an effort to avert a general war.



### WAR NEWS IN BRIEF

**LONDON.**—British warships, with coal stacked high on their decks, left Plymouth ostensibly for the North Sea. General preparations are being made for mobilization. Large crowds of Americans made frantic attempts to book passages on New York bound liners, several of which have already been held up because of the fear of a general war.

**ST. PETERSBURG.**—The report that general Russian mobilization had started is unconfirmed. The reservists, however, have been summoned. This means that the Russian army will be brought up to war strength. All races in the empire have sunk their differences and are enthusiastic for war.

**BERLIN.**—Martial law has been declared throughout the empire. The Kaiser in a speech in Berlin said: "The sword is being forced into our hands. \* \* \* I hope that when all is over we shall sheath it with honor."

**VIENNA.**—Conversations between the Russian Ambassador and the Foreign Office were continued. No results are yet known.

**PARIS.**—French troops are being moved toward the German frontier. No general mobilization has yet been ordered, but preparations continue. Jean Jaures, the Socialist leader, was shot down by an assassin because of his anti-war attitude.

**NISH.**—A handful of Serbs held a large force of Austrians at Losniza. Three well defended positions remain between the frontier and Nish.

**ROME.**—The *Giornale D'Italia* says Germany has sent an ultimatum to France demanding an assurance of its neutrality within twelve hours. The second ultimatum demands that Russia shall cease mobilization within twelve hours. Both ultimatums expire at noon to-day. Italy officially declares that she will remain neutral in the event of a general war.

**WASHINGTON.**—Federal authorities took steps to protect this country. Secretary McAdoo announced that the Government was ready to issue \$500,000,000 of emergency currency under the provisions of the Aldrich-Vreeland act. Paul M. Warburg agreed to appear before the Senate Committee on Banking and Currency, which probably means that he will be confirmed as a member of the Federal Reserve Board. Secretary McAdoo made a reassuring statement in regard to the gold supply of the Government.

**NEW YORK.**—The Stock Exchange closed its doors on account of a flood of selling orders from foreign holders of American securities. The Consolidated Exchange followed after a half hour's session and the Cotton Exchange did not open. The curb market quit and trading in Wall Street came to a standstill.

### RUSSIA AND GERMANY READY FOR HOSTILITIES, ENGLAND HURRYING PREPARATIONS

**German Warships Stop Vessels in Danish Waters, Investigating Nationalities and Destination of Cargoes—British Fleet Sighted.**

### REPORT GERMANY HAS SENT ULTIMATUM TO FRANCE AND RUSSIA, TO BE ANSWERED TO-DAY

**Russian Ambassador at Vienna Continues Conversations With Foreign Office—Serbs Hold Back Austrians on Frontier.**

*Special Cable Dispatch to The Sun.*

**COPENHAGEN, Aug. 1.**—The *Politiken* says British destroyers are watching the Norwegian coast, eight of them being anchored off Bergen.

A German squadron is lying off Langeland, in the Great Belt, and has stopped all passing vessels and investigated their nationality and the nature and destination of the cargo. German torpedo boats have been sighted off Gdansk and Smalund, on the Swedish coast. A German warship is patrolling the Cattegat.

A big Russian squadron is cruising outside Bornholm.

**LONDON, Aug. 1 (Saturday).**—British warships left Plymouth last evening ostensibly for the North Sea. They had all the coal they could carry in their bunkers and more was stacked on their decks. The battleship *Goliath* presented a queer appearance with coal stacked on her deck so that the fore turret was hidden. The wives and children of the troops have been removed from the Plymouth fortifications.

The big British oil tanks *Appalachee*, *Savanne* and *Delaware* were requisitioned by the Government yesterday. They belong to the Standard Oil fleet and usually ply between European ports and New York. They will accompany the battle fleets and supply the oil burning vessels forming a large part of it with fuel. The taking over of these vessels is looked upon as a sure indication that England expects to utilize her war-craft immediately.

It is reported that the Government has notified the London and South-western Railway and the London, Chatham and Dover Railway that it might be necessary to take over their telegraph lines and train service. The London General Omnibus Company has also received notice to be in readiness to hand over its motor buses.

All members of the naval reserves have been warned to be ready at a moment's notice to perform service.

Sir Edward Carson announced that a large part of the Ulster volunteers are willing and ready to serve for home defence and many of them are willing to serve abroad.

At the moment of cabling there is no direct confirmation of the report that Russia had started general mobilization, which Premier Asquith announced in the House of Commons yesterday that he had learned from Germany.

Direct despatches from St. Petersburg, which are brief and sometimes belated, do not mention the mobilization of the Russian forces, referring only to the summoning of the reservists to the Russian capital. The Russian Embassy here professes entire ignorance of the matter.

A St. Petersburg despatch to the *Times*, received at 3 o'clock this morning, says an extraordinary council of Ministers was held at Peterhof Friday night. It was confronted by a somewhat modified situation as a result of assurances received from Count von Pourtales, the German Ambassador, after the Czar, the Kaiser and King George had exchanged messages.

The impression of the Ministers is that Germany is now disposed to bring influence to bear on Austria to resume the diplomatic conversations on grounds that will be acceptable to the other powers. At the time of telegraphing there appeared to be some hope of a compromise, but Russia is determined to continue her military measures in order to prevent possible misunderstandings and disappointments. The correspondent adds:

"It must be said that until the final results of the conversations which are now proceeding between M. Sazonoff, the Russian Foreign Minister, Count von Pourtales, the German Ambassador and Count Szapary, the Austrian Ambassador, are known it will be advisable to subject any feeling of optimism to the most extreme reserve."

A despatch from Vienna says that M. Schebeko, the Russian Ambassador there, continues his conversations at the Foreign Office, which he visited on Thursday and Friday, and it seems that a European war is not regarded as inevitable in Austria.

It is understood that Sir Edward Grey, the British Foreign Secretary, is making further proposals to Austria and Russia, but nothing can be learned

as to their purport. The Kaiser is also credited with personally doing his utmost in the direction of peace.

There is an unconfirmed report that Germany has asked France whether or not she intends to remain neutral. It is thought that if this report is true it possibly indicates a willingness on Germany's part to refrain from aiding Austria if France will promise not to aid Russia.

It is reported that French troops have been partially withdrawn from the frontier to prevent an undesigned clash between them and German soldiers.

The report in circulation this afternoon that the Russians had crossed the frontier and blown up an Austrian bridge is not confirmed.

The *Times* this morning confirms the reports of Russian mobilization. It prints a St. Petersburg despatch under yesterday's date which says that a general mobilization has been ordered.

"Never in the memory of living man," the *Times's* St. Petersburg correspondent telegraphs, "has Russia lived through a day of such intense emotion. The Government decided upon a general mobilization of the forces of the empire late Thursday night. This step was forced upon them by German military preparations and considerations of strategy. It became apparent that the Germans were purposely delaying official notice of their mobilization order in order to place Russia in a position of inferiority. To hesitate longer would have been to court disaster."

Curt notices printed on pink paper, signifying that the Czar decided to bring all the forces of the empire (about 1,000,000 men) to a war footing, and ordering all reservists without distinction to report to the nearest police station at 6 o'clock on Saturday morning have been posted on all street corners.

These notices were posted at midnight. For several hours beforehand all foreign and inland telegrams except official despatches had been interrupted. This telegram to the *Times* was only permitted to come through by the courtesy of the Russian authorities. The correspondent adds:

"These precautions are obviously necessary during the important interval between the announcement of mobilization and the beginning of any hostilities."

The correspondent says that according to the *Novoe Vremya* the enthusiasm for war affects not only Russians but all races in the empire. Race prejudices appear to have been forgotten. Over 3,000 Czech reservists at Kieff have appealed to the local authorities to be enrolled in Russian regiments. Out of 20,000 Austrian reservists at Kieff only 4,000 have applied for passports.

The correspondent says that the position of Germans in Russia, who number several millions, is believed to be extremely serious, especially in view of the widespread belief in a far reaching system of German espionage. He continues:

"Among the arrivals at St. Petersburg by Friday morning's train were Col. A. W. F. Knox, the British Military Attaché, and Gen. Tatischev, who has been attached to the person of the Kaiser. He says he is convinced that it will be difficult, if not impossible, for the German sovereign to withdraw from the position taken by his Government towards the Austro-Serbian conflict."

"The staffs of the German and Austrian embassies are preparing to leave. An extraordinary meeting of the Council is proceeding at Peterhof. A manifesto is expected."

### U. S. MAY AID PEACE.

**Chief Obstacle Is Necessity of Acting Immediately.**

*Special Cable Dispatch to The Sun.*

PARIS, July 31.—The suggestion undoubtedly has been made to the United States, as the greatest Power not directly interested in the present European situation, that the American republic should ask the Powers of Europe if there is any possibility of their using its services in an effort to maintain peace. The suggestion probably has been made only semi-officially.

The chief obstacle to a possible